

Joseph V. Womack
Waller & Womack, P.C.
Suite 805 US Bank Building
303 North Broadway
Billings, MT 59101
Telephone: (406) 252-7200
Fax: (406) 252-4266
Email: jwomack@jvwlaw.com
Attorney No. 2641

Attorney for Trustee

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MONTANA**

In Re:

SCHNEIDER, JOHN HENRY

Case No. 14-61357-7

Debtor(s)

**AMENDED MOTION OF TRUSTEE REGARDING
CRIMINAL RESTITUTION PAYMENTS**

COMES NOW the Trustee and moves the Court for an order, subject to an order of the United States District Court for the District of Montana Billings Division, providing for Criminal Restitution paid to the Trustee to be returned to the Clerk of the United States District Court for the District of Montana and that all Criminal Restitution paid by the Debtor, John Henry Schneider, to the Clerk of the United States District Court, to be disbursed directly by the Clerk of the United States District Court for the District of Montana to the allowed unsecured, non-priority claimants of the Bankruptcy Estate, outside of the Bankruptcy Estate, as follows:

Name and Address	Pro Rata Payment
Stephen Kline PO Box 1938 Cheyenne, WY 82003	.04%

Ron Jurovich PO Box 550 Thermopolis, WY 82443	.23%
State of Wyoming Board of Medicine 130 Hobbs Ave, Ste A Cheyenne, WY 82002-8200	2.05%
Michael Green PO Box 28 Upton, WY 82730	4.62%
Annette Thomas c/o Moyers Law, PC 3936 Avenue B, Ste D Billings, MT 59102	13.69%
Harley Morrell c/o Moyers Law, PC 3936 Avenue B, Ste D Billings, MT 59102	4.11%
Scherry Lee c/o Moyers Law, PC 3936 Avenue B, Ste D Billings, MT 59102	13.69%
Beverley Curtis c/o Moyers Law, PC 3936 Avenue B, Ste D Billings, MT 59102	20.53%
Harry and Jo Ann Knopp c/o Moyers Law, PC 3936 Avenue B, Ste D Billings, MT 59102	13.69%
Estate of Russell Monaco c/o Moyers Law, PC 3936 Avenue B, Ste D Billings, MT 59102	27.37%

Trustee amends his earlier motion to correct the address for one of the claimants. In support of this motion the Trustee represents:

1. The Debtor, John Henry Schneider, has been convicted of concealment of bankruptcy assets in violation of 18 U.S.C. §1521(1) in the criminal case filed in the United States District Court for the District of Montana Billings Division, CR 17-77-BLG-SPW, *United States of America vs. John Henry Schneider* (“Criminal Court” or “Criminal Proceeding”).

2. Part of Schneider’s sentencing in the Criminal Proceeding includes restitution to the Bankruptcy Estate for over \$300,000.00 (“Criminal Restitution”). Payments are to be made to the Clerk of the District Court for the District of Montana, who in turn is to forward payments to Trustee for distribution as required under the Bankruptcy Code.

3. Debtor paid \$35,000.00 towards the Criminal Restitution to the Clerk of the District Court, who in turn forwarded the funds to Trustee. The \$35,000.00 is now held in Trustee’s account, segregated from other funds of the estate, and is not subject to bank charges.

4. The purpose of the criminal restitution is for the debtor to compensate his victims for his criminal behavior and defrauding the bankruptcy estate. Trustee believes payment directly to the allowed claimants of the Bankruptcy Estate best serves the purpose and intent of restitution. Trustee further believes treatment of the restitution payments in this manner is in the best interests of the estate as the bankruptcy case could remain open for several years until the debtor pays the full amount of restitution.

5. Payments could come sporadically and in unknown partial payments, each requiring additional processing and administrative expense of distribution. Trustee would also be required to file estate tax returns, further decreasing the amount available for payment to the unsecured creditors. Trustee would also be required to file estate tax returns, further decreasing the amount available for payment to the unsecured creditors.

6. Dealing with the Criminal Restitution in this matter would facilitate final distribution and closing of the estate. The Trustee would seek final approval for payment of all remaining administrative fees and costs and distribution to creditors based on the funds in his account, excluding only the \$35,000.00 Criminal Restitution funds and future restitution payments. The estate could then be closed.

WHEREFORE, Trustee prays the Court enter its Order approving the return of the \$35,000.00 in criminal restitution to the Clerk of the United States District Court, District of Montana and that all criminal restitution in the ordered amount be administered directly by the United States District Court, District of Montana, Billings Division, contingent upon the approval and acceptance of the District Court to pay the restitution to all allowed unsecured claimants on a *pro rata* basis.

DATED this 11th day of October, 2018.

WALLER & WOMACK, P.C.

By: /s/ Joseph V. Womack
Joseph V. Womack
Ch. 7 Bankruptcy Trustee

**NOTICE OF OPPORTUNITY TO RESPOND
AND REQUEST A HEARING**

If you object to this notice, you must file a written responsive pleading and request a hearing within fourteen (14) days of the date of the. The responding party shall schedule the hearing on the motion at least twenty-one (21) days after the date of the response and request for hearing and shall include in the caption of the responsive pleading in bold and conspicuous print the date, time and location of the hearing by inserting in the caption the following:

NOTICE OF HEARING

Date: _____

Time: _____

Location: _____

If no objections are timely filed, the Court may grant the relief requested as a failure to respond by any entity shall be deemed an admission that the relief requested should be granted.

DATED this 11th day of October, 2018.

WALLER & WOMACK, P.C.

By: /s/ Joseph V. Womack
Joseph V. Womack
Ch. 7 Bankruptcy Trustee

CERTIFICATE OF SERVICE

I, the undersigned, certify under penalty of perjury that on October 11, 2018, or as soon as possible thereafter, a copy of the foregoing was served electronically by the Court's ECF notice to all persons/entities requesting special notice or otherwise entitled to the same and that in addition service by mailing a true and correct copy, first class mail, postage prepaid, was made to the following persons/entities who are not ECF registered users:

Debtor:

John Schneider
543 Camino De Orchidia
Encinitas, CA 92024

Interested Parties:

Creditor Mailing Matrix

Attorneys for Objectors (via email only)
Jon Moyers: jon@jmoyerslaw.com
Paul Warren: paul@paulwarrenlaw.com
Fred Paoli: fred@paolibrown.com

By: /s/ Lynsey Ross
Lynsey Ross
Paralegal to Trustee